# 'Preferred bidder' chosen for wind farm contract

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Spanish company Gamesa has been selected as the preferred bidder for the contract to build Syria's first wind farm.

Gamesa is among six companies bidding to build the SYP 3.6bn (USD 78m) wind farm, which will be located south-west of Homs. It will add 50 MW to Syria's electricity-generating capacity, which currently totals about 7,500 MW.

According to the tender documents issued to bidders in 2007, the government expects the construction of the wind farm to take a year. The winning company is expected to operate the wind farm for three months before transferring it to the government.

Last year, the Public Establishment for Electricity Generation and Transfer (PEEGT), the government-owned energy provider which generates about 93 percent of Syria's electricity, signed several such 'build-operate-transfer' contracts with foreign companies. Under such agreements, the private firms will build several new power plants that the state operator will then take over and run. The potential contract with Gamesa would add to such agreements.

The wind farm is part of the Syrian government's plans to boost renewable sources of energy and reduce the country's reliance on fossil fuels. But the new project will also be needed to ensure that Syria's power generation can keep up with the growing demand for electricity.

Government figures show demand for electricity has risen by more than 60 percent over the last eight years as a result of economic growth and increased domestic use.

Electricity demand increased 4.2 percent in 2010, according to Hisham Mashfej, head of PEEGT. That is broadly in line with government forecasts that predict an annual increase of about 4.5 percent per year between now and 2020.

New power stations, using both fossil fuels and renewable sources of energy, are needed. Without them, the government expects Syria's capacity to generate electricity to decline significantly in the next decade, as outdated power stations are taken out of service.

Officials predict a loss of about 2,500 MW of generation capacity by 2020. Mashfej said the Syrian government plans to add around 5,100 MW of capacity over the next five years – more than compensating for the loss – through building new, state-owned power stations and securing joint ventures with the private sector. The government estimates that about SYP 350bn (USD 7.4bn) needs to be invested in electricity generation, transmission and distribution over the next five years in order to keep up with demand, though it has not said how much of this it expects to come from the private sector.

Cooperation with the private sector will also include the building of Syria's first privately-run power plant at the al-Nasserieh site, 60km north-west of Damascus. So far, 16 international companies have submitted bids for the contract to build and operate an oil- and gas-fired generator at the site, including Japanese investment giant Mitsui & Co. and several energy and infrastructure companies from Europe. The winning bid is due to be announced within the next two months, with the project expected to generate an estimated 180 MW to 250 MW of electricity.